

Egypt bans free trade in dollars

Cairo (R) — Egypt, its markets starved of dollars by the Gulf crisis, will ban traders in the Port Said free trade zone from dealing in the U.S. currency for one month beginning Monday, the national news agency MENA said Friday. MENA said all transactions as of Dec. 10 would have to go through the official banking system, whose rate is set daily by the state-controlled foreign exchange market committee. The state rate was quoted Friday at 2.86 pounds to the dollar compared with a market rate of around 3.15 pounds. MENA said the pound had fallen to as low as 3.25 pounds to the dollar on the market from around 2.85 before Iraq's Aug. 2 invasion of Kuwait. Port Said's 16 legally-operating foreign exchange offices had been asked to deposit their dollars with banks and display a sign saying: "For the sake of Egypt, dealing in dollars has been stopped," said the afternoon newspaper Al Messa. MENA quoted Port Said's Governor Sami Khodair as saying the ban followed a severe shortage of dollars in the country. He said the ban would be reconsidered when it expires on Jan. 10, but that new, unspecified controls might be placed on dealers.

(AP)



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Arafat in Yemen

SANAA (R) — Palestinian leader Yasser Arafat, a key player in this week's flurry of Arab diplomacy to avert a Gulf war, arrived in Yemen Friday, officials said. Arafat, chairman of the Palestine Liberation Organisation (PLO), told reporters he would follow up on Gulf talks in Baghdad between Iraqi President Saddam Hussein, His Majesty King Hussein and Yemeni Vice-President Ali Salem Al Beidh. He gave no further details.

Anti-vice march in Tehran

NICOSIA (R) — Thousands of people have protested in Tehran against social vices, days after President Ali Akbar Hashemi Rafsanjani said short-term marriage was the key to solving sex problems. The rally followed negative press reaction to Rafsanjani's appeal at a Friday prayer sermon last week for acceptance of temporary marriage as a means to satisfy sexual desire. Short-term marriages can last as little as a few hours or days — Rafsanjani mentioned a month. Many Iranians consider it a cover for prostitution. The Iranian news agency IRNA said thousands marched on parliament in central Tehran Thursday chanting slogans against "bad-habits" — women who ignore Islamic laws requiring them to show no more than their face and hands in public.

French jet crashes, pilot killed

PARIS (R) — A French air force pilot with the multinational Gulf force died when his Mirage F1CR reconnaissance jet crashed during a low-altitude training flight in southern Saudi Arabia Friday, the Defence Ministry said. The ministry said an investigation had begun. The pilot was the second French serviceman killed in Saudi Arabia since forces were sent after Iraq's Aug. 2 invasion of Kuwait. A soldier died in a car accident last month.

Thatcher honoured

LONDON (R) — Queen Elizabeth Friday awarded Margaret Thatcher one of Britain's highest honours but the former prime minister, saying she had done "pretty well out of being Mrs. Thatcher," made clear she did not want to be called "lady."

Thatcher, who stepped down last month after a revolt in her Conservative Party, was elevated to the Order of Merit, an exclusive circle of just 24 members that once included her political hero, war-time leader Winston Churchill. Her husband Denis, a wealthy businessman with a liking for gin and a passion for golf, was given a baronetcy and the title "Sir Denis" by the Queen thus making his wife "Lady Thatcher." But Thatcher, a great advocate of the meritocracy, said she would not use the title and would like to continue to be called by her married name.

U.S. asks allies to send more troops, weapons to Gulf

BRUSSELS (R) — The United States said Friday it had asked its NATO allies to send more troops and weapons to the Gulf, but added it could force Iraqi troops out of Kuwait with the forces already there or on their way.

Defense Secretary Dick Cheney told a news conference he had not made "specific requests to specific allies" at a two-day NATO meeting which was called to discuss a new post-cold war strategy but was overshadowed by the Gulf crisis.

But he confirmed reports that he had told NATO members additional air defence units, artillery and ground troops would be welcome, as well as medical supplies and transport for U.S. reinforcements.

"The response was generally favourable," Cheney said, adding that he had received no specific promises.

"While we are happy to have contributions, we are not dependent on these in terms of getting the job done," he said.

U.S. lawmakers send mixed signals over Gulf

WASHINGTON (USA) — The administration's Gulf policy has received support from influential Democrat Stephen Solarz, who commented that "sanctions offer us little hope" of convincing Iraq to withdraw army from Kuwait.

Solarz, a member of the Foreign Affairs Committee of the House of Representatives, made the comment while receiving testimony from Secretary of State James Baker. The secretary and other administration officials have suggested that military force may be necessary to compel Iraq to withdraw its troops from Kuwait because economic sanctions alone may be insufficient to achieve the goal.

Solarz agreed it must be made clear that "unless (Iraq) withdraws, a war will be inevitable; and unless (it) withdraws, (it) and (its) military machine will be destroyed."

In contrast, some Senate Democrats are forcefully arguing in favour of giving the sanctions more time to bring pressure on Iraq and weaken its army.

At Senate Foreign Relations Committee hearing, Paul Simon said there is "overwhelming" evidence that the sanctions are working, and Christopher Dodd warned that if the West gives up on them before seeing whether they can be made to work, it will lose useful tool in future conflicts.

Committee Chairman Claiborne Pell said the United States needs "a few more months" to see if sanctions will work.

During Baker's Wednesday appearance before the same panel, Democratic senators challenged his assertion that only a credible threat of imminent war can convince President Saddam Hussein to peacefully withdraw from the neighbouring country.

Sen. Paul Sarbanes took issue with the position of President Bush and Baker that by travelling to Baghdad to confer with Saddam Hussein, Baker will be "going the last mile" toward a peaceful solution of the Gulf crisis.

"I beg to disagree with you," Sarbanes said. "The last best chance for a peaceful solution, the going the last mile, is to sustain the sanctions policy for a period of time sufficiently long to give it a chance to work. There's no expert who has testified, or holds the view, that it could work within four months — none."

Sen. Joseph Biden said the administration has shifted to a

The United States, leading the military coalition confronting Iraq, has more than 240,000 troops in the region and plans to boost this to 400,000 by Jan. 15 — the U.N.-imposed deadline for Iraq to quit Kuwait.

Cheney said he had no plans to increase those numbers further.

He said he hoped any additional forces would be self-sustaining and integrated within the U.S.-dominated command structure in the region.

Britain and France are the only U.S. allies to have sent ground forces to Saudi Arabia although others have contributed ships, planes, money or transport.

There has been repeated criticism in Washington that European allies have not done enough to support the military buildup. The United States asked for more troops from NATO members in the region.

The issue of whether NATO's role should be expanded outside its members' territory is a highly controversial one within the alliance, and Woerner said he did not expect discussion on it until the Gulf crisis is resolved.

The NATO defence ministers,

in a statement at the end of their meeting, said they still hoped the crisis could be resolved peacefully.

"The Gulf crisis has demonstrated once again the continuing risk of aggression," they said.

Asked when he would like to see additional forces sent, Cheney replied: "The sooner the better."

NATO Secretary-General Manfred Woerner told reporters he was satisfied with the solidarity displayed by the alliance over the crisis but added: "I can only encourage our member nations where possible... to increase their contributions."

NATO cannot take collective military action outside the territory of its 16 member nations, so any contributions must be made by individual countries.

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The NATO defence ministers,



Two Iraqi mothers with their sick children at an Iraqi hospital. Most hospitals in Iraq are working on an emergency basis as a result of acute medicine shortages, according to an American delegation (photo by Norbert Schiller).

Americans report acute medicine shortage in Iraq

By P.V. Vivekanand
Jordan Times Staff Reporter

AMMAN — Most Iraqi hospitals are working on an "emergency basis" as a result of an acute shortage of medicine, and Iraqi children are the hardest hit, according to an American delegation which paid a visit to Baghdad last week.

"A ban on importation of medicine for children is an unjust embargo," said Scott Kennedy, who flew to Amman from Baghdad Thursday after a 10-day stay in Iraq, where the group delivered medicine and relief supplies collected by the Fellowship of Reconciliation (FOR).

"We have no qualms in saving to our fellow American people that it is perfectly appropriate for peace activists and those who are concerned with justice, as a humanitarian gesture, to bring supplies for the children in Iraq," Kennedy told reporters at Amman airport.

Iranian leaders have reacted angrily to recent reports by Amnesty International and a U.N. Human Rights Commission envoy charging widespread rights violations, including thousands of executions.

The London-based Amnesty said Tuesday more than 5,000 people were executed in Iran over the past three years, half of them political prisoners picked by a secret "death commission" in 1988.

Iran announced the execution of some 1,000 people on drug charges in 1989 and more than 300 this year. Judicial officials acknowledged the execution of a number of dissidents in 1988 but gave no figures.

"Not one person is in jail for his thoughts and opinions, even if he has signed a letter," Yazdi said.

"The assertion that there are prisoners of conscience in Iran is a pure falsehood... but if someone acts against the system and interests of the country and the nation, he will be dealt with."

The Amnesty report referred to the case of 20 government critics, including several former ministers, who were arrested in June after they signed an open letter to President Ali Akbar Hashemi Rafsanjani criticising absence of freedoms.

"They remain in prison where they are feared to be suffering torture and ill-treatment to force them to give televised confessions of involvement in counter-revolutionary activity," the report said.

The men, associates of former liberal Prime Minister Mehdi Bazargan, have not been tried yet.

Shelly Douglas, another member of the Nyack, New York-based FOR, said the Iraqis "are having to close down hospitals because they don't have the personnel and medicine to treat children."

"It is really a sad situation," she added.

Asked whether the delegation's findings could have been the result of stage-managed efforts by the Iraqis, Douglas said:

"We have heard and seen enough of other experiences that we think it is true. It is definitely hurting people, especially children."

George Williams corroborated it by adding that the delegation members had also spoken to "several medical doctors, not Iraqi nationals but of European countries and the United States, and they said hospitals remained closed and most of them were working on an emergency basis."

"This is happening throughout the country," Williams said.

Kennedy was referring to the international trade embargo imposed against Iraq following its Aug. 2 invasion of Kuwait.

In theory, food and medicine are exempt from the ban, but difficulties involved in getting the supplies to Iraq have been cited by international relief officials as one of the main problems confronting the Iraqis.

"We also spoke to (religious) ministers and congregations and they all confirmed that they have an acute shortage of medicine," he added.

According to Dennis Marker,

another member of the delegation, many children are also suffering from malnutrition. "I saw several cases of definite malnutrition," he said.

"We saw many incubators which were not working because they did not have incubator liners or their burners have given out," Marker said. "Those which are working now cannot be repaired if they get damaged since there are no spare parts."

Iraqi officials have said that over 1,400 children had died because of shortage of medical supplies.

Douglas said the Fellowship Of Reconciliation, which describes itself as totally secular organisation devoted to the cause of peace, will continue its efforts within the United States and outside to raise more awareness of the actual situation in Iraq and the humanitarian needs of the Iraqi people.

"There will be further delegations from FOR that will be going in (to Iraq)," she said. The team which returned to Amman Thursday was the second FOR delegation to Iraq.

Kennedy said the organization could not really raise enough medicine to meet the demands of the Iraqis. "It is largely symbolic," he said referring to the half a million dollar supply of medicine the group had already delivered to Iraq.

"Obviously the answer to the problem is a peaceful negotiated solution," Williams said.

Iraq confirms it will release all foreign nationals

WASHINGTON (USA) — The government of Iraq has officially notified the United States it will release all foreign nationals held in Iraq and Kuwait, Secretary of State James Baker told the House Foreign Affairs Committee Thursday, but he cautioned "we want to see it actually happen."

Baker announced at the conclusion of his testimony that the Iraqi Ministry of Foreign Affairs had officially notified U.S. Charge d'affaires Joseph Wilson of the Iraqi government's decision.

Earlier in his testimony, before he had received confirmation of the decision, Baker told the committee, "I think we should acknowledge that this is a welcome and significant development, but we do want to see it actually happen. As far as Americans are concerned, we are prepared to implement it immediately," he added. (The State Department later said it was making preparations to evacuate U.S. citizens from Iraq and Kuwait as soon as they are permitted to leave.)

"It does not lessen, nor should it lessen our determination that Iraq's aggression against Kuwait must be reversed by full implementation of all of the Security Council resolutions," Baker declared.

"I think that this is a sign that our strategy of diplomatic and military pressure is working," the secretary added. "It seems to me this announcement comes just one week — just one week — after the international community has authorised the use of force."

Baker emphasised several times that "we need to keep in mind who and what we're dealing with here." In the past Saddam Hussein has shown that "he will starve his people to feed his army. He has shown in a very costly eight-year war with Iran a willingness to take 400,000 dead and a million wounded in a country of sixteen million," Baker noted.

On other issues, the secretary:

— Stressed "this is certainly not an appropriate time" for convening an international conference on the Middle East. He said there has been no shift in U.S. strategy to resolve the Gulf crisis.

During the secretary's appearance before the Senate Foreign Relations Committee Dec. 5, several senators demanded that sanctions be given more time to work before military action is taken: On Dec. 6, however, some representatives were more sympathetic to administration timelines. One, William Broomfield, noted that the administration has taken "a very hard line" toward Iraqi President Saddam Hussein's invasion of Kuwait last August, "and judging from the news this morning, it sounds like you did the right thing."

Baker asserted that the measure of sanctions should be measured "in terms of whether it will require him (Saddam Hussein) to leave Kuwait, not whether it imposes an economic sanctions alone will do it. And therefore we must have a credible alternative in terms of the option of force," he declared.

But he warned that "at some point delay carries a very high price for all of us," because Iraq is going to continue to fortify its positions and continue to develop its chemical and biological weapon capabilities."

He said the integrated approach of political, military, and economic measures must be maintained "because we're beginning to see, I think, some signs that it could possibly succeed peacefully."

In response to some House panel members who criticised President Bush's Nov. 8 decision to nearly double the number of American forces deployed in the region, he said, "how can you credibly threaten the use of force if you don't have the assets in place to do the job?" This was not a policy change, he said, but was a continuation of the policy goals and approaches set out at the beginning of the crisis.

Acknowledged that the question of broadening NATO's jurisdiction to out-of-area responsibility was a very important but complex issue about which informal discussions have begun.

"You must combine the diplomatic and the military if you're going to be effective," he stressed, making it clear "that the capability is there and the resolve is there to use it, if we want a peaceful solution."

At several points, Baker reiterated that "there has been no decision to use force."

President Bush has said that "if force becomes necessary — and I hope that we can resolve this peacefully — that force will be used massively and decisively," Baker pointed out. "It's one of the things, quite frankly, that he contributed to this debate — the fact that we have moved so much force to the region because we do not want to repeat the mistakes that were made in Vietnam," he said.

Baker noted that the president had said he would welcome a congressional endorsement of the United Nations Security Council's action last week in adopting a resolution authorising the use of force if necessary, but he noted that "so far, of course, the congressional leadership has declined to take that approach."

Baker emphasised several times that "we need to keep in mind who and what we're dealing with here." In the past Saddam Hussein has shown that "he will starve his people to feed his army. He has shown in a very costly eight-year war with Iran a willingness to take 400,000 dead and a million wounded in a country of sixteen million," Baker noted.

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Independents gain in Egypt

CAIRO (R) — Independent candidates made a surprisingly strong showing as final results began coming in on Friday for Egyptian parliamentary elections boycotted by the main opposition groups.

Analysts said the strong showing of independents seemed to have restored some credibility to Mubarak's cautious democratisation moves since he came to power in 1981.

Many of the independents are passed-over NDP members who stood against official party candidates.

The results for the 261 seats re-contested on Thursday, carried by Egypt's Middle East News Agency, showed independents taking 92 seats, the NDP 69 and the UPP four.

The surge of independent candidates was made possible by a new election law adopted after the supreme court declared the old one unfairly discriminated

against them.

Political analysts said if independents voted as a bloc after parliament opens on Dec. 13 they could hold up the substantial amount of legislation that needs a two-thirds majority under Egyptian law.

Analysts said the strong performance of independents nonetheless indicated a miscalculation in the NDP's election strategy.

They added that the main loser may have been the opposition, whose boycott seemed to have backfired. The New Wafd Party, the socialist Labour Party, the Liberal Party and the influential Muslim Brotherhood refused to contest the elections.

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15:00 Teletext

15:45 Programme review

15:45 Children programme

17:30 Educational programme

18:00 News Summary

18:10 Local series

18:30 Programmes review

20:30 News in Arabic

20:30 Arabic series

21:30 Programmes review

21:30 Local programme

Home News

VTC to train 14,000

AMMAN (J.T.) — The Labour Ministry's Vocational Training Corporation (VTC) has made plans for providing 14,000 young men and women with training in 34 different trades in the coming year in a bid to help them find jobs and reduce the unemployment problem in Jordan, according to VTC Director General Ahmad Arwan.

"Special attention is being given in the coming year to rural and remote areas where vocational training centres will be set up for men and women in various governorates," Arwan said.

"Two new centres for young women and housewives will be opened, one at Umm Nuwara near Amman, and the other at Ruseifa," Arwan said in a statement to the Jordan News Agency.

Arwan said that the VTC would, in the coming year, intensify cooperation with the Ministry of Education and Ministry of Higher Education in the field of vocational training, especially as government schools have special programmes for handicraft work.

"As the country is being flooded with expatriates in need of work the VTC has opened new

trades during 1990 and has pro-

vided training to 2,006 men and

women in the following trades:

dressmaking, bakery, hotel management, truck driving, home economics, artificial flower making, tricot making, ceramics, and textile work."

"In the 1990 programme, the VTC centres offered training to a total of 9,856 men and women in 34 trades, each following different programmes with different durations," Arwan said.

He said that the apprenticeship programme was normally short and only those who completed the secondary education were accepted.

"There is another programme where those with preparatory school education can be accepted," Arwan explained.

During 1990, the VTC opened two training centres: one at Ghor Al Safi in southern Jordan and the other at the Sahab Industrial City near Amman. These centres offer training in industrial businesses, according to Arwan.

Arwan announced that the VTC last month had conducted a general survey to determine Jordan's requirements of skilled manpower in all fields and at different levels and had found out that there was urgent need for skilled men and women to work in leather tanning, ready-made clothes, bakeries, hotels and flour mills.

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Zaben urges Arab pharmacists to unify laws, ensure self-sufficiency

AMMAN (J.T.) — The executive council of the Arab Pharmacists Federation (APF) has opened a four-day meeting in Amman to discuss the pharmaceutical industry in the Arab World and preparations for convening the federation's 11th meeting.

The meetings, which are due to end Sunday, are also scheduled to discuss the duty of Arab pharmacists under the present difficult circumstances and the challenges posed to the Arab Nation, according to the head of a local committee which prepared the meeting's 11th meeting.

The question of common threats posed to the Iraqi and the Arab people in general was also the theme of an address by Tayseer Al Homsy, president of the Jordanian Pharmacists Association (JPA) which organised the meeting in Amman.

Homsy said that Arab pharmacists had the duty to rally in support of the Palestinians who are waging their intifada against the Israeli occupation, and to back the Iraqi people who are threatened with aggression. He said that JPA was totally committed to help the Iraqi people and back the Palestinians in their steadfastness.

APP Secretary General Hisham Al Thaher echoed the

same theme and said that the Arab people were now more determined than ever before to confront the conspiracies directed against the Arab Nation.

He attacked the United States for trying to impose its hegemony on the Arab World and for imposing an economic embargo on Jordan and Iraq.

The meetings are attended by delegates from Iraq, Libya, Algeria and Tunisia as well as Jordan.



Mohammad Al Zaben

Jordan to start receiving external aid this week

By P.V. Vivekanand
Jordan Times Staff Reporter

EC snags cleared

World Bank

In the meantime, a senior Jordanian official has said that the foreign exchange reserves of the Kingdom were in comfortable shape and there are no plans to devalue the Jordanian dinar.

According to Central Bank of Jordan (CBJ) Governor Mohammad Saeed Al Nabilis, Jordan's official foreign exchange reserves stand at \$560 million, down by \$160 million at the end of July, days before the Iraqi invasion of Kuwait.

The total reserves available to the Central Bank, including gold and the Kingdom's outstanding receivables, would amount to \$1 billion and a similar amount is also held by Jordanian commercial banks, Nabilis told Jordan Television last week.

The CBJ governor, categorically rejecting suggestions that a devaluation of the Jordanian dinar was in the offing, also said that panic withdrawals by individuals from their private accounts amid fears of a military conflict in the Gulf had ebbed. In fact, he said, the Central Bank's move to allow unlimited, unrestricted withdrawals had helped assuage public fears. Almost all the amount so withdrawn since Aug. 2 — about JD 120 million in local currency and \$160 million in foreign currency — has been returned to the respective deposits.

Nabilis confirmed that Jordan was planning to issue two types of treasury bonds in American dollars with interest rates equivalent to the London interbank offered rate (Libor); one eighth of one per cent higher than the normal bank rate on one type and one quarter of one per cent extra on the other type. He did not provide any figures of the volume of the bonds but said the redemption period for first type was two years while the second could be redeemed after five years.

Meanwhile, the European Commission has cleared snags in its budget allocations to assistance to countries hard hit by the Gulf crisis. The European Parliament blocked the allocations last month saying that the funds should not be taken away from other vital European Community (EC) projects. A compromise was worked out earlier this week, EC diplomats said, and the Strasbourg-based parliament is expected to endorse the budget next week.

However, the EC allocations

— a total of 1.5 billion European currency units (about \$2 billion) of which one third will come from the European Commission budget and the rest from the 12 member states — will be available to the beneficiaries only in the first quarter of 1991.

Bilateral agreements have been signed and the donor countries are awaiting Jordanian instructions to allocate the amounts, they said. Both the Japanese and German loans are long-maturity, soft-term loans, which, according to economists, make it "as good as outright grants."

In addition, Jordan and Japan have launched negotiations over two loan packages of \$75 million each, and the credits would be disbursed as soon as final agreements have been reached, said a diplomatic source. While the \$100 million loan carries an interest of one per cent and is repayable in 30 years with 10 years grace (the same term apply to the German loan), the two new Japanese packages will be under stricter terms, with an interest rate of around four to five per cent and shorter maturity, the diplomat said.

Since the Japanese and German loans, as well as other bilateral credits from Italy, Canada, France and the Netherlands were granted to help offset the losses sustained as a result of the Gulf crisis, the untied loans could be used to settle Jordan's payments retrospective to Aug. 2, the day Iraq invaded Kuwait, triggering the crisis.

The government has drawn up a 1991 budget taking into consideration "only realistic expectations of foreign assistance." The budget is under study by the Financial Committee of the Lower House.

Jordanian officials have said that the external assistance would be used to help streamline the national economy and put it back on track towards recovery under programmes worked out domestically as well as with the International Monetary Fund and the

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The sky is the limit

THE decision of Iraq to release all detained foreign nationals is a positive move in the direction of peace in the Gulf region. No matter how much hawkish members of the U.S.-led coalition against Iraq try to belittle this step, it remains in the eyes of the international community a big investment by Baghdad in the embryonic peace process in the Gulf region. Constituting a cardinal request by the U.N. Security Council in its very first resolution on the Kuwaiti situation, its fulfillment by Baghdad sends a clear signal that Iraq, as always prefers accommodation with the world rather than confrontation. Seen against this backdrop the move has effectively relegated the war option, which is being so religiously pursued by some members of the Bush administration, and consolidated the peace option.

Washington would look irresponsible in the eyes of the American people and their representatives in Congress, not to mention the international community, if it continued its current bellicose rhetoric and war preparation against Iraq in the wake of this Iraqi decision. Instead of continuing to fan the war fever, Washington is called upon to reciprocate this Iraqi signal by word and deed. This way the impending talks between the two sides would have a chance to become fruitful.

Ostensibly Iraq has decided to free the foreign nationals because there is no longer any need for them. This would suggest that either Iraq feels that its military preparedness has been completed and therefore there is no longer need for a human shield against attacks from its enemies or that it views the chances of a war breaking out in the Gulf as remote.

The timing also suggests that His Majesty King Hussein, Palestinian leader Yasser Arafat and Yemeni Vice President Ali Salem Al Beedh have a great deal to do with the shaping of this decision. Having just concluded a mini-summit with Iraqi President Saddam Hussein Tuesday, there is little doubt that the Arab leaders have discussed this peace overture from Baghdad and counselled in its favour. The fact that Saddam Hussein responded so swiftly and boldly to the Arab leaders' appeal for magnanimity augments the argument often submitted in support of maintaining active Arab contacts with Iraq at the highest level. Isolating Baghdad either internationally or regionally can never advance the peace process in the Gulf area. If Washington enters the projected talks with Baghdad in good faith and with clean hands there is little doubt that such talks would also come to fruition. President Bush's men need first and foremost to cleanse their hearts and minds from blind hatred against Iraq and the Arab World. If they do, then the sky is the limit on how much the two sides can accomplish in Baghdad and Washington.

ARABIC PRESS COMMENTARIES

Al Ra'i Arabic daily has underlined the need for Washington and its allies in the Gulf crisis to issue a declaration announcing openly that there is no intention whatsoever for destroying the Iraqi military power. The paper said that such a commitment is needed if the Washington-Baghdad talks are to achieve headway and eventual success. The paper also called for linking the solution of the Gulf crisis to a solution of the Arab-Israeli conflict, stressing that both issues should be dealt with an equal footing in respect of U.N. Security Council resolutions and in implementation of the will of the world community. The paper said that Israel has explicitly displayed its fears about a possible peaceful settlement that could ensue from the U.S.-Iraq dialogue, leaving the Iraqi military power intact. For this reason, the paper said, we now hear voices in Israel like that of David Levy expressing concern over the outcome of the dialogue and insisting that the United States should undertake the task of destroying the Iraqi military power as it had allegedly promised to do. The paper said that the U.S. administration would do well to disengage itself from any promises to commit evil and rather opt for peace and meaningful talks with Baghdad for a solution of all Middle Eastern problems as called for by Iraqi President Saddam Hussein in his Aug. 12 peace initiative.

Al Dustour daily criticised Arab countries involved in the American-led anti-Iraq coalition for not following in Washington's footsteps and embarking on a dialogue with Iraqi leadership to help find a settlement to the Gulf crisis. The paper said that America's allies in the Gulf have been ignored by U.S. administration which went behind their back and openly declared its intention of holding a dialogue with Baghdad. For this reason, Saudi Arabia, the country which could be the most affected by any Gulf conflict, should at least try to find a way of talking with Baghdad. Saudi Arabia which is shouldering the cost of the multinational force on its soil and a country which has all the reason to protect Iraq's military power that can serve as a stabilising force in the Gulf region, should reciprocate Iraq's overtures for peace and dialogue especially as the Iraqi leadership had been openly declaring that it will never launch aggression on Saudi Arabia, said Al Dustour. Riyadh is now called on to take up its seat at the negotiating table and help find a solution that will not only prevent destruction of its infrastructure and oil wealth but can also ensure that stability and security in the region will be sustained. Saudi Arabia, the paper added, has all the reason to do that especially in the light of the fact that the Israeli enemy is the only party that would benefit from the destruction of Iraq and the other Arab states.

Kuwait's foreign holdings — business as usual?

By Maria Kielmas

Thought much early speculation about how the Kuwaiti government in exile will administer its considerable foreign holdings has long since disappeared from banner headlines, hawk-eyed observers into the world's financial and oil markets are noticing the beginnings of a readjustment.

The Iraqi invasion left the state oil company, Kuwait Petroleum Corporation (KPC), in a position comparable to that of country subsidiaries of some oil multinationals in the 1960s or 1970s when they were nationalised and lost their sources of crude supply. By the same token, the Kuwait Investment Office (KIO) has to function on its cash flow without being bailed out by the government; rather like a pension fund no longer receiving contributions from its members.

Like many governments worldwide, Kuwait has tended to promote publicly the notion that its state enterprises conduct their affairs under the same business criteria as any other private sector company. The managements of some European state companies who clung to the same concept found their illusions shattered when, during a part privatisation process, stock exchange rules required disclosure of uncomfortably large chunks of previously "confidential" information and detailed workings of accounting procedures. No one expects KIO and KPC to seek outside equity, but KIO and the funds it controls own huge slices of major Western companies. So who owns KIO, how it functions and the politics of the present and future Kuwaiti governments will have a significant effect on investor confidence in and credit worthiness of those Western companies. The Kuwait government's insistence on "business as usual" has increased rather than

allayed those companies' fears.

The status of KIO and KPC

The 1969 Kuwaiti constitution says that sovereignty belongs to the nation and power is divided between the emir, parliament and the executive. Under Clause 1 the emir may nominate by decree his successor and the prime minister, who do not need to be the same person. But these nominations must be approved by parliament. Under this constitution, the emir does not have the power to suspend the constitution, a facility which exists for some rulers, notably in nominally democratic countries of Latin America. State companies cannot be established or administered by emir decree.

KIO and the Fund for Future Generations were established under a parliamentary decree which also stipulated that the KIO runs the latter fund. By contrast KPC was established by what has been dubbed an "administrative exercise" on the part of the oil ministry, not by parliamentary decree. When the KPC was set up it was financed through borrowing from the KIO, making the Ministry of Finance, which controls KIO, the effective controller of the national oil industry. KPC was further reorganised after the 1981 purchase of U.S. based Santa Fe Corporation so that the company, meaning a business, not the state was the first owner of the former U.S. organisation.

As the ultimate owner of these assets is the state Kuwait, lawyers now ask what is, and what will be, the state and government of Kuwait? Today that is the internationally recognised government in exile. But when the Gulf conflict is resolved, whether through war or diplomacy, if international

recognition shifts to a new government, with or without the present emir, then that government will be the ultimate arbiter of the \$100bn or so of the state's foreign assets. And that government's policy could be radically different from the present.

Many Kuwaiti exiles readily admit that their country's future will be decided by the major powers. Promises of a post-liberation democracy made during the recent Jeddah congress seem incompatible with an exiled government which is not one of national unity and within a region which may not welcome the development. What is clear is that this government needs money, to support its nationals and its allies. And the source of its foreign holdings. A future government, democratic or otherwise, may demand a detailed account of how these were conducted.

Investment strategy

Ever since Kuwait first started investing overseas, conspiracy theories have abounded that its rulers had other motives in mind. The KIO has been called variously a corporate raider, short term speculator and worse, and has done little to help its image by remaining silent about its investment strategy. Aggressive acquisition of 22 per cent of British Petroleum and over 14 per cent of Germany's Daimler Benz proved an embarrassment all round and in Germany prompted new laws regulating foreign investors. When the British government obliged KIO to reduce its stake in British Petroleum to 9.9 per cent it suffered the pill by treating KIO as a sovereign state rather than an investment trust, meaning that it was exempt from corporation tax. KIO is assumed to hold the same status now.

Although the Kuwaiti government says it has enough liquid funds to meet its liabilities at present, this can change if the crisis is prolonged. In any case, experience of war in oil producing countries has shown that Kuwait is unlikely to be liberated without at least someone sabotaging some oil installations. So a free Kuwait will have little new income at first. But in today's fragile capital markets, which in a shooting war will nose-dive, it takes at least several months between a small pension fund making a decision to shift its market position and the money actually being transferred. The difficulties for something the size of KIO to do the same can be best illustrated by comparing the manoeuvrability of a supertanker with that of a racing yacht.

Some bankers have speculated that KIO could sell some less prestigious assets while others think that a quiet, across-the-board sale would be more appropriate. Freezing orders imposed by Western governments on these accounts immediately after the invasion have been modified to allow for normal trading. This prospect has made all companies with KIO on their share registers very nervous, though none admits so publicly. Already KIO disposals of holdings in small oil exploration companies have caused those shares to plummet in value at a time when they should be outperforming the market. Complicating matters further is KIO's tax status.

This latter point has already been addressed by the KPC management, which is seeking both a new physical and a tax location. KPC thinking is that any compromise with, in this case, the British government over its tax status is only a short term solution, while management must think of

long term contingencies. As all other foreign state or privately owned investment trusts pay tax, sooner or later, lawyers argue, KIO will have to catch up with KPC's thinking. Such an event would decrease KIO's income, making asset liquidation even more likely, unless the ruling Al-Sabah family meets some calls from its personal accounts.

Oil profits

KPC's future capital investment largely depends on how much money the KIO can spare, even though the oil company, like most Kuwaiti state enterprises, kept the bulk of its funds abroad. Its only ready income comes from its foreign refining and marketing subsidiary, Kuwait Petroleum International (KPI), which runs three refineries and networks of petrol stations throughout Western Europe.

Like other oil companies, KPI makes its profits on the margin between crude and refined costs and pump prices and curiously has to face the same accusations made by motorists of companies "profiteering" from the Gulf crisis.

In reorganising itself abroad in a situation where its domestic oil production subsidiary, Kuwait Oil Company (KOC), effectively no longer exists, KPC has to meet its liabilities without domestic oil income acting as a cushion. Some of its 32-strong tanker fleet can be rechartered but their real costs are still uncertain. Crude oil supplies for KPI have to be bought, principally from a deal with Saudi Arabia but also on the spot market. There then remains the future of its drilling affiliate, Santa Fe, thought to be making an operating profit now but not one which will recoup the enormous costs sunk by KPC since its acquisition in 1981. Most questions are being directed at the fore-

ing oil exploration subsidiary, Kufpec, first established in London in 1981 but moved back to Kuwait in 1986.

Kufpec has always been a tool of foreign policy and foreign aid, rather like the Kuwait Fund for Arab Economic Development, not a company required to find oil in foreign parts for profit. It now holds interests in countries such as Sudan, Yemen and Tunisia, whose positions on the Gulf conflict are regarded as pro-Iraqi. As Kuwaiti government officials have hinted directly and indirectly over the last months that they see no reason to support those who do not sympathise wholly with Kuwait, a shedding of Kufpec's oil exploration concessions is expected. This may happen slowly, without too much fanfare and may be explained by KPC as an allocation of priorities rather than a political move. But already lots of oil companies are queuing up to buy.

Kufpec's position reflects the way governments may badly sting themselves when they run state enterprises along political lines, even though because of their very nature these companies cannot be wholly market oriented. Instead of using its initial \$300m budget to find oil where it occurred geologically, it was directed to look where it was convenient politically. If the former strategy had been adopted, a kind of geographical diversification all private sector companies follow, KPC today would have had enough foreign oil supplies to serve its foreign outlets instead of the present meagre 30,000 barrels a day, in the process saving its own funds and those of KIO. It is a bitter irony which a future Kuwaiti government, with far more pressing priorities, may well ponder over — Middle East International.

Is Ozal gambling?

By Alistair Lyon
Reuter

ANKARA — The resignation of Turkey's military chief has highlighted growing complaints that President Turgut Ozal's Gulf policy is belligerant and his style high-handed.

Armed forces Chief of Staff Necip Torunay quit last week, saying: "the principles I believe in and my understanding of the state render it impossible for me to continue my service."

Turkish analysts say he was protesting at Ozal's advocacy of a more active part in the U.S.-led coalition ranged against Iraq against the advice of the military and foreign ministry.

NATO-member Turkey has sent 35,000 more troops to join 65,000 already in the southeast area bordering Iraq and has enforced U.N. sanctions, cutting two Iraqi oil export pipelines.

A U.S. official said Washington would press its NATO allies for more help in the military buildup against Iraq at a meeting of NATO defence ministers in Brussels last Wednesday.

Newspapers said Torunay disagreed with Ozal at a national security council meeting on Friday called to discuss the U.N. resolution authorising force against Iraq if it does not leave Kuwait by Jan. 15.

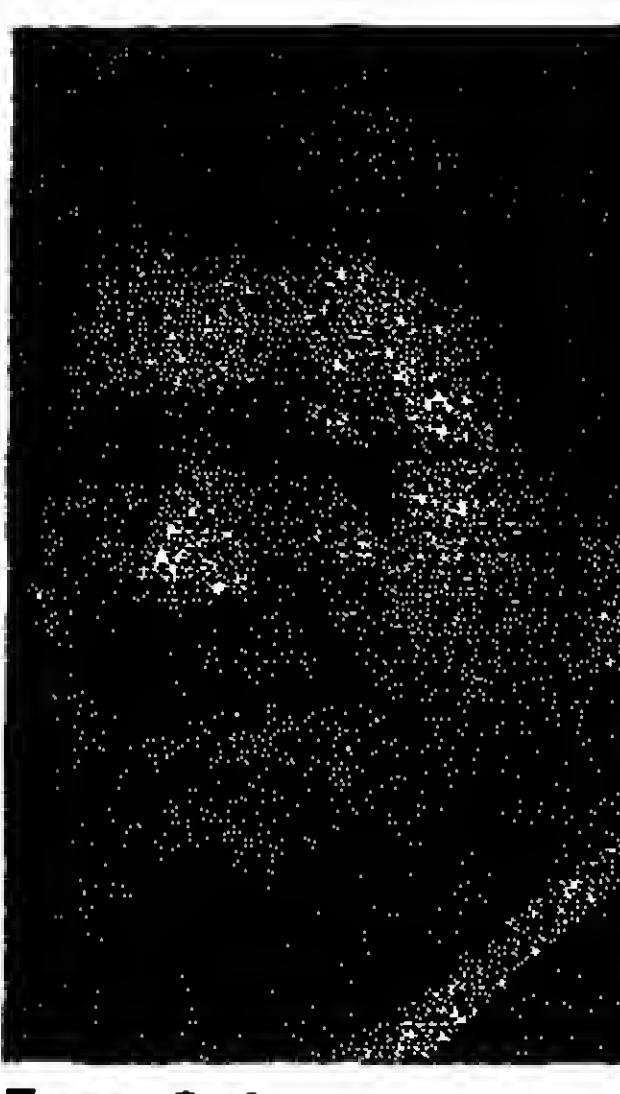
They said Ozal had wanted to send troops to Saudi Arabia, allow use of the U.S.-Turkish air base at Incirlik in southern Turkey for cross-border operations and even open a second front against Baghdad if the Gulf crisis. "Let's hope he wins."

The Turkish leader has publicly ruled out the second front option but told reporters last month that while Ankara favoured a peaceful solution it "would not say 'no'" to war.

Remarks like these alarm

generals, opposition parties and many ordinary Turks who oppose military action against Iraq.

Ozal is basking in Western approval for his tough stance against Iraq's Saddam Hussein but his domestic critics accuse him of dragging Turkey towards war at Washington's behest.



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His defence and foreign ministers resigned in October.

"Ozal is gambling," a government source said of Turkey's unusually high profile in the Gulf crisis. "Let's hope he wins."

The outcome in the Gulf may decide whether Ozal can maintain his dominance of Turkish politics. His control over decision-making has aroused resentment at a time when inflation and labour unrest have increased the government's unpopularity.

In practice he has discarded the concept of a figurehead president untainted by party politics and last month openly called for the 1982 constitution to be rewritten.

The constitution empowers presidents to call parliamentary elections, summon meetings of parliament and the cabinet, decide to use the armed forces and help appoint the chief of staff.

Ozal has exploited these powers as never before and governs through Prime Minister Yildirim Akbulut, a colourless former parliament speaker and Motherland Party colleague.

He wants the president to be elected by the people, not by parliament as now, and has suggested changing the constitution ahead of parliamentary elections due in 1992.

He has not called for greater presidential powers but for changes that would let presidents retain party links, sweep away political restrictions and put more stress on human rights.

"But formally he is supposed to be above party politics."

Opposition parties mostly agree that the constitution, drafted after a 1980 coup ended a decade of political violence, is one for overhand, but not on how it should be done.

The right-wing True Path Party of former Premier Suleyman Demirel favours direct presidential elections.

The left, led by the Social Democratic Populist Party of Erol Inonu, opposes direct presidential elections but does want to enshrine political freedom and human rights.

Inonu's Party, the main opposition group, has criticised Ozal for encouraging Islamic fundamentalist sentiment which seeks to alter Turkey's secular system.

"We will not accept a constitutional change to help a man with anti-sectarian traditions to become a dictator," Inonu said.

The military, which sees itself as guardian of the secular reforms of Turkey's founder Kemal Ataturk, has also shown signs of unease about growing fundamentalist influence — last month Ozal's Motherland Party voted through parliament a bill to let women wear Islamic headscarves in universities.

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The conference has been organised under the heading of "political union." This loose term includes efforts to broaden the EC's brief to take in a host of new matters beyond the barrier-free single market and to streamline decision-making.

A parallel IGC will work on Economic and Monetary Union (EMU), the effort by the community to establish a single currency managed by an independent European central bank.

But while EMU has been on the EC agenda for nearly two and a half years, political union is a recent addition on which agreement runs deep.

"One can expect intense, even explosive debates," Jacques Delors, president of the EC's executive European commission, said in a speech last week.

The EC so far has largely restricted itself to trade, monetary

and fiscal and social aspects that need to be harmonised to create a single market of 340 million people after 1992.

Member countries spoke and acted on their own in the world scene, donning their EC hats on global trade issues but forced to step under an umbrella called European Political Cooperation (EPC) to agree joint declarations or common action in the face of major events.

While the EC as such worked on aid to the so-called frontline states worst hit by the Gulf crisis, foreign ministers met at EPC — often over lunch during EC meetings — to discuss other actions.

The distinction is blurred at best, but it exists formally and must go if the bloc is to speak with one voice.

An official summary of national positions, written for the IGC by the secretariat of the EC council of ministers and of which Reuters obtained a copy, shows that member countries already agreed that no aspect of foreign and security policy should be excluded.

But the fine print on security — a topic which some countries believe would inevitably lead to considering a defence role for the EC in the long term — remains a source of division.

Britain in particular is anxious to keep the United States in Europe and insists that commitments to NATO must be retained.

Others are prepared to consider different options including the gradual incorporation as a community body of the Western European Union (WEU), a low-intensity agency which groups nine EC members of NATO.

U.S. offer of immunity from attack is signal in Gulf talks

By John Rogers

Reuter

BAGHDAD — By offering Iraqi President Saddam Hussein immunity from attack if he pulls his armies out of Kuwait, the United States appears to have sent a key signal in the hunt for a solution to the Gulf crisis.

U.S. Secretary of State James Baker on Sunday sent Saddam a terse notification that he might get out of the standoff without a war and without sacrificing his own power, Western diplomats in Baghdad said.

"You offer him a way out," one said. "It's something that might be able to present to his own people."

Baker said that if Saddam complied with the dozen United Nations Security Council resolutions since Iraq invaded Kuwait on Aug. 2, "his reward for that would not be a military attack by the United States."

Saddam, Iraq's强人 for more than two decades and president since 1979, has been concerned since seizing Kuwait that the West wants not only to drive him from the emirate but for that would not be a military attack by the United States."

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Arab diplomats say Saddam sometimes looks strained in his

public appearances and the four-month-old crisis was beginning to show.

"Of course he is worried about staying in power," said one.

Baker's statement, days before planned Washington talks with President George Bush and Iraqi Foreign Minister Tareq Aziz, appeared to send a signal that the United States did not want Saddam's downfall.

Baker is due to visit Baghdad after the Aziz talks.

His message to Iraq appeared to be part of a concerted policy which a British newspaper reported was adopted last week by foreign ministers of the five permanent Security Council members — The U.S., Britain, China, France and the Soviet Union.

The Guardian newspaper said the five were ready to offer Baghdad a "no-attack" guarantee if it withdrew from Kuwait, restored the Kuwaiti government and freed foreign hostages.

Saddam has already offered to release more of the 2,000 Westerners and Japanese hostages in groups over three months from December 25, Christmas Day, provided there is no threat of attack.

Western diplomats believe it may moderate the tone of its newspaper editorials — important in the atmospheres of the confrontation — as the Washington talks approach.

Ozal increasingly isolated as opposition to policy mounts

By Emel Anil

The Associated Press

ANKARA — President Turan Ozal, often praised by U.S. President George Bush as a loyal friend and ally for his strong support in the Gulf crisis, is on slippery ground at home.

The 63-year-old president is increasingly isolated, enjoying little public support, frequently faces harsh criticism from establishment groups and defections from the party he founded.

And with the resignation Monday of his top general, it became public that Ozal also has alienated the most powerful of these groups, the military.

The chief of staff, Gen. Necip Torunay, resigned not so much over a specific issue but in protest of a style of government, according to sources close to the military who requested anonymity.

Since Iraq took over Kuwait in August, Ozal has been running the show, often bypassing cabinet members and the Foreign Ministry.

A few days after the Aug. 2 invasion, the foreign minister heard from reporters that twin pipelines pumping Iraqi crude through this country were being closed to comply with a U.N. embargo against Iraq.

Foreign Minister Ali Bozer resigned in October, followed the next month by Defence Minister Safa Gray.

The general fear is that for U.S. favours, which may not even materialise, Turkey may drift into a Mideast war under Ozal's daredevil leadership.

"Who else but Bush still supports Ozal's style of government?" asked columnist Turker Alkan in the independent daily Gunes Tuesday.

"Could a nation of 50 million be pushed into war behind the United States just because Ozal wants it when everyone, from 15-year-olds to the chief of staff, is opposed to war?"

Ozal was elected premier in 1983 when the military turned over power to civilians in general elections.

He won reelection in 1987, but his party was badly beaten in local elections two years later.

The parliament, where the Motherland Party he founded enjoys a large majority, elected him president later that year in a ballot boycotted by the opposition. Ozal moved to the Cankaya Palace and turned over the premiership to Yildirim Akbulut, a loyal follower and inexperienced politician.

Opponents have two major objections: Ozal had himself elected president when polls showed about 20 per cent voter support for him. After his election, he started running the government from behind-the-scenes although the presidency is a mainly ceremonial post with little executive power.

Opposition politicians have refused to attend national day and new year receptions given by Ozal.

They say they will change the constitution to unseat Ozal if they have enough votes after the next general elections scheduled for 1992. Ozal's seven-year term expires in 1995.

Other sectors of the society are on the march to protest various domestic policies.

The ruling Revolution Command Council took action to defuse tension with Moscow on Tuesday, saying all 3,300 Soviet citizens stranded in Iraq since August would be allowed to leave for home from Wednesday.

Iraq has not responded to Baker's statement and has given no sign that it is considering quitting Kuwait. It continued press attacks this week on Bush and U.S. policy.

This is where the photovoltaic section at the renewable energy centre of the Royal Scientific Society (RSS) steps in. Although solar turbines constitute a very minimal percentage of the national output RSS specialists assert that there is great potential of solar energy in Jordan. "The annual daily average of solar radiation on a horizontal plane in Jordan is estimated to be 5.35 kWh/square metres a day," Ismail Nabhan, research engineer of the photovoltaic section said, adding that the average solar radiation intensity during winter seasons is about 3 kWh/square metres a day and exceeds 6 kWh/square metres a day in the remaining period of the year.

Because Jordan has such a high average of sunlight a year, it is possible to economically improve the conditions of these remote areas, specifically clinics, schools, churches and mosques as well as houses, Nabhan explained. In 1986, the RSS installed nine solar radiation measuring stations in various different areas climatically representing the whole country.

From the experiments that were conducted in those areas, the RSS engineers constructed a map for the distribution of solar radiation in Jordan. "The eastern and southern parts of the country, which are considered as remote areas from the national grid, showed that they had higher annual averages of daily solar radiation intensity and so we concluded that technically and economically, it was feasible to cover the basic electric energy needs in such remote areas by using photovoltaic generators," Nabhan explained.

Nabhan affirmed that many photovoltaic projects in different fields have been accomplished since 1982. "The main purpose of these projects is to

Electricity generation in Jordan touches all corners of society

By Nur Sati
Special to the Jordan Times

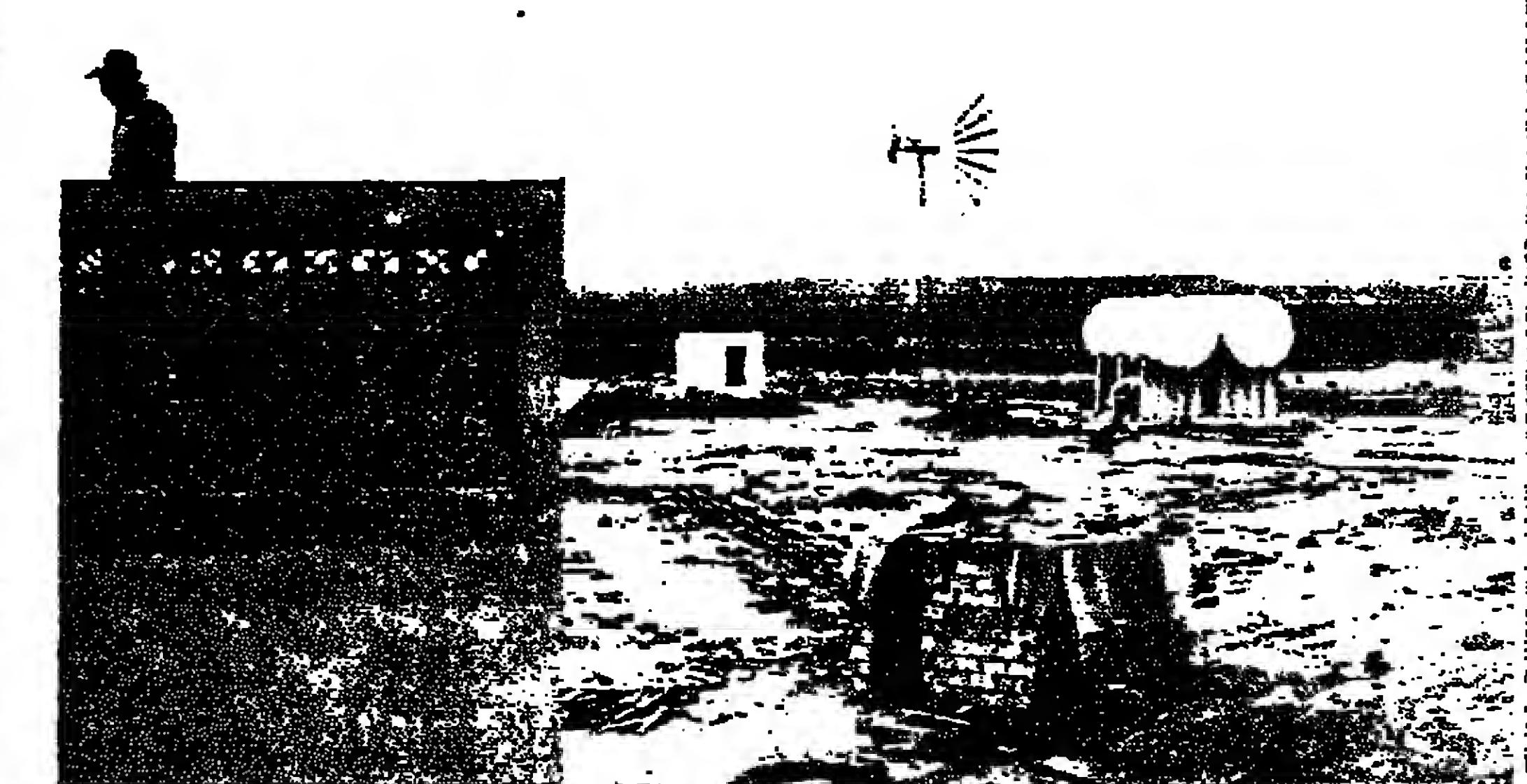
AMMAN — Jordan has come a long way since the 1970's when electricity generation was launched in Amman with small diesel engines with a total capacity of 50 (mw). Now, 96 per cent of the population enjoys electricity.

While the remaining four per cent represents remote and sparsely populated villages where it is uneconomical to extend the national network. This is where the photovoltaic section at the renewable energy centre of the Royal Scientific Society (RSS) steps in. Although solar turbines constitute a very minimal percentage of the national output RSS specialists assert that there is great potential of solar energy in Jordan. "The annual daily average of solar radiation on a horizontal plane in Jordan is estimated to be 5.35 kWh/square metres a day," Ismail Nabhan, research engineer of the photovoltaic section said, adding that the average solar radiation intensity during winter seasons is about 3 kWh/square metres a day and exceeds 6 kWh/square metres a day in the remaining period of the year.

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A joint Jordanian-Iraqi scientific and technological cooperation project in the field of solar and wind energy to exploit renewable energy in developing remote and desert areas.

and possibly enhance the reverse immigration into these remote areas," Muheidat asserted.

Another project that was launched in the beginning of September, 1989, was a joint Jordanian-Iraqi scientific and technological cooperation project in the field of solar and wind energy to exploit renewable energy in developing remote and desert areas, according to Dr. Ahmad Muheidat, researcher in the photovoltaic department.

The \$750,000 testing system, which includes the construction of two research stations on the Jordanian-Iraqi border with an area of 205 square metres each, is scheduled to be completed by 1991. The stations use passive design and consist of thermal insulation to suit solar energy applications," Muheidat said.

The project aims at building up Arab self-sufficiency in the field of utilising renewable energy as well as studying the possibility of supplying two remote areas in Jordan and Iraq respectively with their requirements of renewable energy sources. "This would improve the social and economical standards of people living there, preserve the animal and agricultural wealth and limit the immigration flow into the cities

of the occupied territories.

Another one, passed 14 to two, calls for an international peace conference on the Middle East and asks the Security Council to consider establishing a preparatory committee for such a conference.

Three others drew abstentions from Western European nations, Czechoslovakia and Poland.

They supported the work of the U.N. Palestine rights committee, the U.N. secretariat's division for Palestine rights and requested the U.N. department of public information to disseminate information on the question of Palestine.

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AIR CARGO

Massive curfew on intifada anniversary

(Continued from page 1)

the other 14 members of the council, diplomats said.

The revised draft is based on the non-aligned resolution sponsored by Colombia, Cuba, Malaysia and Yemen, and a softener U.S. working paper.

One paragraph of the draft, referring to the convening "at an appropriate time of an international peace conference on the Middle East, properly structured," raised speculation on Thursday about a switch in U.S. policy because it had not been contained previously in a council resolution.

But Washington is reluctant to endorse provisions that Israel

would be likely to reject.

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All the resolutions were similar to those passed in previous years. Israel and the United States were alone in casting negative votes against each.

General Assembly resolutions compared to those in the Security Council are non-binding but reflect positions of the international community.

One assembly resolution, adopted by a vote of 141 to two with three abstentions, condemns Israeli policies and practices in

the occupied territories.

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Sports

Olimpia of Paraguay confident of dethroning Milan in Tokyo

TOKYO (R) — Olimpia coach Luis Cubilla is confident his team, with the help of their 42-year-old penalty-taking goalkeeper, can dethrone AC Milan Sunday and return the world club soccer title to Paraguay.

He and his South American champions have been watching Italian first division matches live on television every weekend to prepare for the fast and powerful Italians.

"I think technique is superior to power," said Cubilla, who coached Olimpia to victory in the 1979 tournament.

Milan coach Arrigo Sacchi, on the other hand, admits his opponents remain something of a mystery to him.

"We have not studied Olimpia very well. We will have to play at the maximum level of our ability," he said.

The man he is most worried about is goalkeeper Ever Almeida — known as "the chief" to his Olimpia team mates.

"We must not reach the penalty (shoot-out) stage. We have to win before that," Sacchi said.

"Almeida is a really special guy."

Almeida performed a key role in Olimpia's 1979 win over Sweden's Malmo. Well-known in Latin America for taking penalties, he saved two of them in the shoot-out in this year's Libertadores Cup semifinals against Nacional of Colombia.

He also knows European soc-

cer well and played for Spain's Barcelona for several years.

But Milan, with their world class Dutch internationals Ruud Gullit, Marco van Basten and Frank Rijkaard, look the favourites when compared to Olimpia's home-grown stars.

Gullit, who missed last year's game in Tokyo due to a knee injury, and Rijkaard each scored a goal in the 2-0 victory over Sampdoria in last month's European Supercup final.

Both have looked in top form in training.

Van Basten, however, has exercised only lightly after his arrival in Tokyo but trained completely Friday.

But two Milan regulars are

absent. Alberico Evani, who scored the only goal in last year's win over Nacional, and Carlo Ancelotti, both midfielders, stayed in Italy due to injury.

Olimpia are a well-balanced team who reached the South American finals this year for the second successive season.

Centre forward Raul Vincente Amorim, one of South America's top strikers, is their most dangerous player and has scored six goals in the last five Libertadores matches.

The game will be watched by a boisterous, capacity crowd of 60,000 at Tokyo's renovated National Stadium and millions of television viewers all round the world.

Al Faisali beats Al Hussein to win Premier League Cup

AMMAN (Petra) — Al Faisali Soccer Club Friday defeated Al Hussein Club 1-0 in the final Premier League match, held at Amman Stadium, winning the 1990 Premier League's Cup.

After winning the final game, Al Faisali has been able to retain the championship for the 23rd time since this championship was first created.

The match was attended by 15,000 people.

Chavez to defend title; Tyson to fight Stewart

ATLANTIC CITY, New Jersey (R) — Mexico's Julio Cesar Chavez, widely regarded as pound-for-pound the best boxer in the world, will defend his junior welterweight titles Saturday but former heavyweight champion Mike Tyson is stealing most of the attention.

Many boxing fans will be intent upon finding out just how far Tyson has come since James "Buster" Douglas knocked him out last February to win the heavyweight crown.

Chavez will defend his International Boxing Federation (IBF) and World Boxing Council (WBC) titles against Kyungduk Ahn, 29-1, of South Korea. The 28-year-old is the top-ranked WBC contender.

Chavez, who has won five world titles in three different weight classes, took the IBF crown last March after a furious battle with Meldrick Taylor.

Chavez — behind on all three judges' cards — caught Taylor with a right to the head with less than 30 seconds left in the final round. Taylor rose at the count of six but did not respond to the satisfaction of the referee and the fight was stopped.

Tyson, 24, will fight Alex Stewart, 26, in a scheduled 10-round fight at the Atlantic City Convention Centre on the boardwalk of this Atlantic resort and gambling city.

This will be Tyson's second fight since losing the title. He easily knocked out lightly-regarded Henry Tillman in the first round. Tyson rose at the count of six but did not respond to the satisfaction of the referee and the fight was stopped.

Tyson, who at least publicly has put away his surly attitude of recent months, was reticent at a news conference Thursday about the fight.

Stewart's trainer, Edwin Viruet, said Thursday that his fighter "can't afford to fool around (by going slow in the first few rounds) Saturday because he knows Tyson, who weighed 217-3/4 pounds (98.77 kg) Thursday, is going to come right after him."

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Johnson and Canadian decathlete Mike Smith attended a news conference Thursday to promote the first meet of the grand prix indoor season. But the large gathering was more interested in the reactions of the two athletes to reports of rampant use of performance-enhancing drugs by German athletes.

Johnson was suspended from international competition and lost his gold medal and world record from the 1988 Olympics after testing positive for steroids.

The Jamaican-born sprinter expressed surprise at the revelations in Germany.

"I'm kind of shocked — I didn't think it would happen so fast," said Johnson, who admitted his drug use during the Dublin inquiry into use of performance-enhancing substances by Canadian amateur athletes. "In the past, I saw some of their legs. The girls were bigger than me."

Seven teams — Zimbabwe, Tanzania, Zanzibar, Sudan, Malawi, Kenya, Uganda — are competing in the 12-day tournament, with the first rounds played in two groups. The semi-finals are

on Dec. 17 and the final two days later.

Uganda's national team, the Cranes, can expect tough competition from the Kenyans, known as the Harambee Stars.

"I have more powerful, properly drilled and high-spirited players," Kenya's Austrian coach, Gerry Sauer, told Reuters Friday. "I won't be surprised if at the end of the tournament the Kenyans are winners."

Regional African soccer tournament starts today

NAIROBI (R) — The East and Central Africa Senior Challenge Cup soccer tournament kicks off on the Indian Ocean island of Zanzibar Saturday with holders Uganda strongly tipped to retain the title.

Seven teams — Zimbabwe, Tanzania, Zanzibar, Sudan, Malawi, Kenya, Uganda — are competing in the 12-day tournament, with the first rounds played in two groups. The semi-finals are

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Economy

U.S. said likely to offer Soviets export credits soon

WASHINGTON (R) — U.S. lawmakers and grain trade officials said on Thursday President George Bush will probably extend at least a billion dollars in export credits soon to the cash-strapped Soviet Union for imports of American grain.

They said they expect a favourable decision between now and next week because of relentless pressure from the powerful American farm lobby and newfound support from Jewish groups.

Officially, the White House has not given any indication on whether it will grant the export credits, but Republican Senator Bob Dole said: "It looks very promising."

"I have taken the credit case directly to the president and I am encouraged by the feedback I am getting — it's definitely on track," said Dole, the Senate's minority leader.

Anti-mafia bank could open can of worms

By Stephen Addison

Reuter

ROME — A plan to curb mafia influence by lifting the veil of secrecy from ordinary Italians' bank accounts has threatened to expose a far more dangerous enemy of the state — the tax dodger.

But far from handing the government a big revenue bonanza, any such move may only cause grave damage to the banking sector, some analysts are starting to believe.

They fear the millions of self-employed Italians thought to evade taxes may take flight and simply remove their money from the banks rather than risk being exposed by tax authorities.

In a country where people save more than anywhere else except Japan, it could also harm efforts to contain a large and chronic budget deficit.

"There's probably some

truth in it," said economist Paolo Filippo Lardera of London brokers Phillips and Drew.

"People might well start taking their money abroad."

The plan to allow the government to examine bank accounts without a warrant was proposed last month by the powerful employers' organisation, Confindustria, a previous opponent of the idea.

"The situation is now grave enough to merit more automatic verification of bank accounts," said Confindustria President Sergio Pininfarina, referring to a big upsurge in mafia activity this year. "This could also help in the battle against tax evasion."

The proposal, aimed at stopping criminals laundering stolen money by passing it through the banking system into legitimate investments, has been welcomed by Finance Minister Rino Formica and is now being considered by the

ment.

Most of it goes into buying short-term treasury bonds but over a third is held in ordinary banks.

How much of that is owed to the taxman is anybody's guess but analysts agree tax dodging in Italy is practised in truly grand proportions.

"If the authorities got what they were entitled to get in taxes, they could wipe out the budget deficit in a year," said one diplomat.

Some analysts, who cite a traditional Italian distrust of the state and a growing public feeling that taxes are being wasted on grandiose building projects in the depressed south, estimate that at least half the self-employed either dodge taxes or pay only a fraction of what they owe.

Whatever the sums at stake, they are bound to be much larger than those being laundered by the mafia.

WORLD STOCK MARKETS

TOKYO — Stocks closed higher on hopes for a peaceful solution to the Middle East crisis after Iraq's decision to recall foreigners. The Nikkei closed up 969.39 points or 4.30 per cent at 23,522.49.

SYDNEY — Shares ended the week on a high note, boosted by a surge on the Tokyo market. The All Ordinaries Index closed 12.3 points firmer at 1335.6.

HONG KONG — The Hang Seng closed 36.90 points up at 3,163.69 in a second straight day of strong gains sparked by steps towards a peaceful solution to the Gulf crisis.

SINGAPORE — Institutional and individual investors made a strong comeback to push the Straits Times Index up 44.89 points, or 3.84 per cent, to close at 1,197.85.

FRANKFURT — Heightened hopes of peace in the Gulf and continued optimism over last weekend's relection of Chancellor Helmut Kohl gave another life. The Dax Index rose 8.17 to 1,512.84, its fifth gain in the last six sessions.

ZURICH — Prices finished easier in moderate trading but off earlier lows as buyers returned to pick up shares cheaply. The All-Share SPI index fell 1.3 to 937.8.

PARIS — The market began modestly higher, extending Thursday's gain, after the opening was delayed by technical problems.

LONDON — Shares held steady as U.S. blue chips recovered from early losses. At 1515 GMT the FTSE Index was up 8.2 at 2,185.7.

NEW YORK — Blue chips erased early losses and moved tentatively higher morning trading, bolstered by hopes of a further easing by the Federal Reserve. The Dow was up about three at 2,606.

AMMAN EXCHANGE RATES

Thursday, November 6, 1990
Central Bank official rates

| Buy | Sell | French franc | 130.5 | 131.3 |
|--------|--------|------------------------|-------|-------|
| 661.0 | 665.0 | Japanese yen (for 100) | 493.2 | 496.2 |
| 1274.9 | 1282.5 | Dutch guilder | 391.7 | 394.1 |
| 441.7 | 444.4 | Swedish crown | 117.6 | 118.3 |
| 517.2 | 520.3 | Italian lira (for 100) | 58.7 | 59.1 |
| | | Belgian franc (for 10) | 212.5 | 213.8 |

LONDON EXCHANGE RATES

LONDON (R) — Following are the buying and selling rates for leading world currencies and gold against the dollar at midsession on the London foreign exchange and bullion markets Friday.

| One Sterling | 1.9420/30 | U.S. dollar |
|-------------------|---------------|------------------|
| One U.S. dollar | 1.1624/34 | Canadian dollar |
| | 1.4820/47 | Dentschmarks |
| | 1.6728/38 | Dutch guilders |
| | 1.2657/64 | Swiss francs |
| | 30.72/77 | Belgian francs |
| | 5.0320/70 | French francs |
| | 1128/1119 | Italian lire |
| | 131.65/75 | Japanese yen |
| | 5.5875/925 | Swedish crowns |
| | 5.8180/230 | Norwegian crowns |
| | 5.7090/140 | Danish crowns |
| One ounce of gold | 370.85/371.35 | U.S. dollars |

TODAY AT

RAINFOREST CINEMA

RAINBOW Tel: 625155

Show: 3:30, 6:30, 8:30 p.m.

UP THE MILITARY

CONCORD Tel: 677420

LOCK UP Sylvester Stallone

Show: 3:30, 6:15, 8:30, 10:30 p.m.

PHILADELPHIA Tel: 634144

ROOF TOPS

Show: 13:30, 3:30, 6:15, 8:30, 10:30 p.m.

NIJOUN Tel: 675571

Kamal Al Shinnawi, Ilham Shahin, Farouq Al Fishawi In **APPOINTMENT WITH THE PRESIDENT**

Show: 12:30, 3:30, 6:30, 8:30, 10:30 p.m. Friday & Sunday extra show at 11:00 a.m.

PLAZA Tel: 699238

Nadia Al Jundi & Farouq Al Fishawi In **DEATH SQUAD** Arabic

Show: 12:30, 3:15, 5:15, 7:15, 9:45 p.m.

Colombia seeks higher coffee prices

LONDON (R) — Colombia,

GATT talks suspended

BRUSSELS (R) — The troubled GATT trade talks were suspended Friday when a trans-Atlantic row over farm subsidies paralysed a four-year attempt to lift barriers on a trillion dollars of commerce.

A week-long ministerial session of the General Agreement on Tariffs and Trade (GATT), which was supposed to approve the most ambitious free trade pact ever, was deadlocked by the subsidy row pitting the European Community against the United States.

Auxious to quell fears that the breakdown might herald a new era of protectionism such as that which accompanied the 1930s world slump, delegates agreed to meet again early next year to try to conclude the Uruguay round of trade liberalisation.

"The Brussels meeting is dead, but long live the Uruguay round," said Neal Blewett, trade minister of Australia, one of several farming nations bitterly disappointed at the breakdown.

The adjournment brought to a halt work by the Geneva-based trade watchdog to free trade in 15 sectors from patents to banking.

Framework accords on these sectors had been laboriously etched since the round was launched in Uruguay in 1986.

"During a discussion of documents dealing with the current market situation presented by the ICO secretariat, Colombia said that we should seek negotiation of an economic agreement in order to have a regulation of the market," René Montes, chairman of the executive board, told Reuters.

"The Colombian position

was that the market situation

was currently deplorable,

prices were too low, and that

the amount of coffee exported was beyond the market reality," he said.

The current coffee agree-

ment is purely an administra-

tive pact following the collapse

of export quotas in July 1989.

This was because members

could not agree on how to

share the market among pro-

ducers.

Figures presented to the ex-

ecutive board Thursday

showed that exports revenues totalled \$6.5 billion in the year

ending September compared with \$9 billion in the corre-

sponding period in 1988-89 and \$13 billion in more favourable

times, delegates said.

Montes stressed that Thurs-

day's talks did not mean nego-

tiations towards a pact with

economic clauses had begun.

"During consultations, we

can only find the basis for

negotiation," he said.

At a full ICO council meet-

ing in September, the 50 ex-

porting and 22 importing mem-

bers agreed to a proposal by

the world's largest coffee pro-

ducer, Brazil, that the adminis-

trative pact be extended for

one year until September 1992.

This was despite calls for a

more committed approach

from Colombia and from Afri-

can producers.

Colombia also asked Brazil

to reconsider its position to-

wards a new agreement, they

said.

Brazil proposed the pact ex-

tenison in order to allow more

time for consultations at home.

"We too are alarmed by the

very serious deterioration in

export revenues. I recognise

that this was a genuine call for

Brazil to negotiate, but our

stance has not changed," Bra-

zil's London-based minister-

counsellor Valdemar Carneiro

Leao said.

This was despite calls for a

more committed approach

from Colombia and from Afri-

can producers.

Colombia also asked Brazil

to reconsider its position to-

wards a new agreement, they

said.

Brazil proposed the pact ex-

tenison in order to allow more

time for consultations at home.

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Leao said.

Congressional leaders

and business leaders

were invited to

attend the meeting.

Delegates hastened to limit any

damage that the work of GATT

a visible advertisement for free

trade, might suffer at the very

moment when the West is championing free enterprise as the key

to change from Moscow to Man-

Bangladesh army told president to resign

Opposition seeks Ershad's trial

DHAKA (R) — Bangladeshi opposition parties demanded Friday that former President Hossein Mohammad Ershad stand trial for what one said was a reign of terror.

"Definitely he and his accomplices should be tried and punished under law of the land," said Bangladesh Nationalist Party (BNP) chief Begum Khaleda Zia.

Sheikh Hasina, head of the Awami League, said those who had destroyed democracy and squandered public funds must be dealt with appropriately.

Ershad, a former general who seized power by toppling an elected government in 1982, stepped down Tuesday following a bitter and often violent campaign led by Hasina and Khaleda.

He transferred power to caretaker Vice-President Shahabuddin Ahmad Thursday. Ahmad, supreme court chief justice, will run Bangladesh until elections are held.

"Ershad must stand trial for letting loose white terror during his illegal and autocratic rule," the fundamentalist Jamaat-E-Islami Party said in a statement.

Ahmad said the future elected government would have to decide the issue.

"As far as I am concerned, my

job is to restore order and hold elections within three months," he said in an interview with the Voice of America radio station.

"As for the rest of the matter, it is for the next government to take up."

Khaleda led her followers in a procession Friday to the tomb of her late husband, President Ziaur Rahman, who was killed in an abortive coup in 1981.

The U.S. ambassador to Bangladesh, William Milam, met Khaleda Thursday in what BNP leaders described as a courtesy call.

Hasina, daughter of Bangladesh's independence leader and first president, Sheikh Mujibur Rahman, stayed at home and received friends and well-wishers.

Opposition parties have accused Ershad of running an illegal, corrupt and autocratic government with the backing of the armed forces.

Hours after taking power,

Ahmed removed one of Ershad's most trusted officers, director-general of National Security Intelligence Major General Ashraf Hussain.

Officials said Ahmed would also disband the presidential security force, which Ershad created for his own protection.

Eighteen officers from the force

National Memorial for Martyrs, 25 miles (40 kilometres) from Dhaka, to lay wreaths in honour of those who died in Bangladesh's war of independence in 1971.

Meanwhile Bangladesh's army chief said his men talked Ershad into resigning three days ago to avert a political catastrophe.

"We played our due role in ensuring a democratic transition at a critical juncture," Lieutenant-General Nuruddin Khan told state-run television Thursday night.

"That's why the transition was smooth and easy."

Supreme Court Chief Justice Shahabuddin Ahmad will act as president for three months and oversee elections to the 300-member parliament.

Opposition parties have accused Ershad of running an illegal, corrupt and autocratic government with the backing of the armed forces.

Barek, 65, said he would join special prayers at the capital's biggest mosque, Baitul Mukarram, to thank God for saving Bangladesh from the hands of an usurper.

Policemen and students, who battled each other for years in anti-Ershad protests, were seen shaking hands on the city streets.

"Everyone seems to be sharing the victory," bank employee Shabdar Ullah said.

Ahmed drove Friday to the

have already been transferred into the army.

General Khan said the country would have plunged into anarchy if Ershad had not resigned, but that the army would never have staged a coup because the soldiers believed in democracy.

"They realise that the real progress of a nation is possible only under a democratic administration. We never entertained the thought of a military takeover," he said.

Joy and a profound sense of relief swept Bangladesh Friday, the day after Ershad handed over power to caretaker vice-president.

"We have never been able to enjoy democracy to its full breadth. Maybe an era is dawning when things will be different," Dhaka resident Abdul Bared told a reporter.

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'Berlin airlift' begins to aid Soviets

BERLIN (R) — A new Berlin airlift, sending the city's food reserves to the Soviet Union which once blockaded it, began Friday when the first supplies were loaded aboard Soviet army trucks.

Three thousand tonnes of milk powder and medical supplies were to be flown to Moscow by Soviet Air Force transport planes, for delivery to citizens facing a harsh winter of shortages, as the first instalment of an aid effort rich in historical irony.

West Berlin maintained huge food reserves for almost four decades following the 1948-49 Soviet blockade, when the Western allies supplied the city by air in what became known as the Berlin airlift.

The stockpile, worth half a billion marks (\$330 million) and filling some 70,000 square metres of storage space, contains enough to feed 10 million people for a month, city official Gerhard Erbe told.

Lieutenant-Colonel Vitaly Slezniak, commander of the 42-truck Soviet convoy, said:

"We did not expect things to go so fast and we never expected the Berlin Senate (city government) to give us its reserves."

"We will do everything to ensure they reach the needy people."

The city government decided last month to donate the stock, no longer needed in a united Germany, as part of a massive private and official effort to help the Soviet Union which made unification possible.

A city official said it would take eight to 12 weeks to transport the 180,000 tonnes of food and medical supplies, plus household goods such as toilet paper, matches and washing powder, to the Soviet Union by air and sea.

German Chancellor Helmut Kohl and Soviet President Mikhail Gorbachev launched a televised appeal for donations last week with many German charities, newspapers and television stations joining the drive.

NATO pledges cuts in European nuclear arms

BRUSSELS (R) — NATO pledged Friday to slash its cold-war arsenal of nuclear weapons in Europe, but said the alliance would have to keep some modern nuclear forces there as a guarantee of peace.

NATO defence ministers, in a statement at the end of a two-day meeting to plan the alliance's military response to the transformation of East-West relations, said they had already begun work on this.

"The work... will lead to further dramatic reductions in the number of NATO's nuclear weapons retained in Europe," the statement said.

"We reaffirmed that, to keep the peace, the alliance must maintain... an appropriate mix of nuclear and conventional forces, based in Europe, and kept up to date where necessary," the statement said.

U.S. short-range nuclear missiles and artillery shells, most of which are based in Germany on the former cold war front line, were expected to be cut out altogether, probably in negotiations with Moscow next year, NATO diplomats said.

The United States has already said it will not modernise these so-called "battlefield" weapons, intended for use against Soviet forces that are now withdrawing

from Eastern Europe. Eliminating them in arms talks or through unilateral withdrawals would cut NATO's stockpile of nuclear warheads in Europe, which also includes aircraft bombs, by around half.

Belgian Defence Minister Guy Coene told reporters that NATO's battlefield nuclear weapons would eventually be eliminated, since they would not be modernised.

British officials said Britain, which had previously opposed their total elimination, now shared the German position that they should be scrapped.

NATO is hoping to trade its short-range nuclear missiles and artillery shells for deep cuts in the Soviet arsenal of short-range nuclear forces (SNF), rather than withdrawing them unilaterally.

The statement said the SNF talks would include U.S. and Soviet weapons, effectively ruling out the inclusion of French and British nuclear weapons systems — something Moscow had wanted.

While the traditional threat of attack by the Soviet-led Warsaw Pact had gone, the political and economic crises in Eastern Europe and the Soviet Union meant that NATO must maintain its defences, the statement added.

COLUMN 10

Todd Bridges sued for divorce

LOS ANGELES (R) — Former U.S. child star Todd Bridges, who played in the long-running hit television series "Diff'rent Strokes," was sued for divorce. The petition, filed in Los Angeles Superior Court by his wife Rebecca, cited irreconcilable differences. The couple were married a year ago and separated last Saturday, according to Rebecca Bridges' court submission, which was filed in Los Angeles Superior Court by his wife Rebecca.

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Non-party lawyer to head new Bulgarian government

SOFIA (R) — Bulgarian President Zhelyu Zhelev Friday appointed Dimitar Popov, a 63-year-old lawyer with no party affiliation, to head a caretaker government that will lead the country to new elections.

Popov, currently chairman of the Sofia City Court, will replace ex-Communist Andrei Lukyanov, whose Socialist government quit last week in the face of strikes and street protests over the worsening economy and continuing political paralysis.

The 400-member parliament voted to give Popov a week to form a cabinet, after which his appointment will be formally approved. A total of 15 deputies voted against, and 29 abstained.

Popov's appointment followed a week of talks between the majority Socialists and the main opposition Union of Democratic Forces (UDF) on a neutral caretaker government to lead the country to new elections next year.

"The country needs a strong government which must receive the support and backing of the country," he said. "It will be a government of hope, which must stop the process of decline and bring to an end all abuse of power."

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Serbian opposition leader says Communists provoking civil war

BELGRADE (R) — A Serbian opposition leader, reacting to the killing of a member of his party, has accused the Communists of trying to spark a civil war to keep power in Yugoslavia's biggest republic.

Vuk Draskovic, head of the Serbian Renewal Movement (SRP), told a 10,000-strong rally in Belgrade to stay calm and use the ballot box as a weapon to oust the Communists Sunday in the republic's first free elections since World War II.

"They have tanks, (ex-Communist leader Josip Broz) Tito's generals and weapons in their hands, but we have voting ballots which are the bullets of democracy," Draskovic said as the crowd chanted "red fascists murderers" and anti-Communist slogans.

Slovenia and Croatia have been increasingly at odds with the central authorities since their elections. Both threatened to secede unless Yugoslavia becomes a looser alliance giving

them more independence.

Slovenia decided Thursday to hold an independence referendum on Dec. 23 to win public support for declaring Slovenia an independent state within Yugoslavia. Diplomats say the referendum will help ease the way to secession if necessary.

Slovene President Milan Kucan said Slovenia must push ahead with independence moves and would apply for membership of the United Nations and the Council of Europe, but he feared the army may try to halt their independence drive.

"It has become clear that there are some circles in the army that do not want a democratic solution to the Yugoslav crisis," Kucan told the Slovene parliament.

Local residents said armed police were guarding government buildings in the Slovene capital, Ljubljana, but officials would not comment on the reports.

Earth rotation has slowed by tiny fraction

SAN FRANCISCO (R) — Scientists, using records of solar eclipses scratched by ancient Chinese on the shoulder blades of oxen, have determined that the Earth's rotation has slowed by tiny fractions of a second over the past 3,200 years. Kevin Pang, an astronomer at the U.S. space agency's Jet Propulsion Laboratory in Pasadena, California, said Tuesday that an Earth Day was 47-thousandths of a second shorter in 1200 B.C. Pang and his colleagues, using bones on which records were kept some 1,000 years before the invention of the telescope, determined precisely where five solar eclipses were seen and where the moon's shadow fell in Anyang, China, in years between 1226 B.C. and 1161 B.C. According to a paper presented at a meeting of the American Geophysical Union, the scientists — working with computers — then looked back at the orbits of Earth and the moon. They said they determined within seconds when the two bodies were lined up with the sun for a solar eclipse. They then calculated the rate at which they had to rewind the Earth's spin backward in time to dates in ancient China when the moon's shadow would fall over Anyang. Scientists say the Earth's spin has been slowed by tides.

state-run Ropress news agency carried a tough statement by Anatol Selaru, vice chairman of the People's Front of Moldavia.

He said, "the Romanian nation in Bessarabia (Moldavia) claims again its legitimate right to national and state independence of which it was deprived" by the Soviet-German accord of 1939.

Some banners carried by the crowd in Alba Iulia apparently alluded to alleged Hungarian territorial claims on the western part of Romania.

The National Day was celebrated to commemorate union of Transylvania, for centuries part of Hungary, with Romania in 1918. It was sanctioned by the Treaty of Trianon in 1920.

The dispute over the Hungarian minority in Transylvania between Hungary and Romania has been going on for decades but sharpened in recent years and has by no means stopped after the Communists were removed from power in both countries.

But his departure provoked a groundswell of nationalism in individual republics of the multinational state, and some Western analysts now believe there is a danger for the federation to break apart.

An overdose of nationalism climaxed in calls for the return of Moldavia at a mass rally addressed by Romanian President Ion Iliescu on Dec. 1, the first National Day celebration since Ceausescu fell from power.

However, a fresh effort is apparently under way to resolve the conflict.

The upsurge of nationalism and separatist tendencies in Slovakia prompted Czechoslovak President Vaclav Havel and other national leaders to issue appeals

for restraint and national understanding.

While the separatists seeking an independent Slovakia are a small minority, many Slovaks harbour suspicions toward the 600,000 ethnic Hungarians in their country. Hungarians subjected the Slovaks for more than 1,000 years.

In Yugoslavia, ethnic tensions among different nationalities have been fuelled by the establishment of democratically elected non-Communist governments in Slovenia and Croatia.

While the two republics strive for greater independence, their policies are rejected by the Communist leadership in Serbia.

Serbia's leaders also revoked the regional autonomy of its Kosovo province, where ethnic Albanians are a 65 per cent majority.

Albanians want autonomy restored and have launched bloody clashes against security. Many young Albanian nationalists would like to see a Yugoslav Republic of Kosovo, but few want union with neighbouring Albania.

Serbia is scheduled to hold its first free elections, but whatever the outcome, the ethnic conflict with the Western republics is unlikely to die down.